

PGW
Gas Service Tariff
Pa. P.U.C. No. 2

Supplement No. 137

PHILADELPHIA GAS WORKS
GAS SERVICE TARIFF



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Rates to become effective January 1, 2021 in accordance with Commission's Order entered November 19, 2020 at Docket No. R-2020-3017206.

List of Changes Made by this Tariff Supplement

TABLE OF CONTENTS (Page Nos. 6-7)

Updated to reflect revised page numbers for each of the changes listed below on this page

DEFINITION OF GAS SERVICE TARIFF (Page No. 12)

Corrected typographical error in spelling of “superseded.”

MERCHANT FUNCTION CHARGE (Page No. 78)

Changed the Merchant Function Charge percentages. Added a Merchant Function Charge percentage for GS Public Housing Customers.

PRICE TO COMPARE (Page No. 78)

Changed the Merchant Function Charges. Added a Merchant Function Charge for GS Public Housing Customers.

UNIVERSAL SERVICE AND ENERGY CONSERVATION SURCHARGE (Page No. 81)

Increased the Universal Service and Energy Conservation Surcharge from \$0.19266/Ccf to \$0.19603/Ccf.

GENERAL SERVICE – RATE GS (Page No. 83)

Changed the customer charges and delivery charges effective January 1, 2021, as follows. For Residential Customers, the customer charge increases from \$13.75 to \$14.10 and delivery charge increases from \$0.66967 to \$0.68642. For Public Housing customers, the customer charge increases from \$13.75 to \$14.10 and the delivery charge increases from \$0.57105 to \$0.59444. For Commercial Customers, the customer charge increases from \$23.40 to \$24.00 and the delivery charge increases from \$0.48651 to \$0.49570. For Industrial Customers, the customer charge increases from \$70.00 to \$71.80 and the delivery charge increases from \$0.47698 to \$0.48825. Clarified that Rate GS is not available for back-up service.

MUNICIPAL SERVICES – RATE MS (Page No. 87)

Effective January 1, 2021, the customer charge increases from \$23.40 to \$24.00 and the delivery charge increases from \$0.42723 to \$0.44159.

PHILADELPHIA HOUSING AUTHORITY SERVICE – RATE PHA (Page No. 90)

Effective January 1, 2021, the customer charge increases from \$23.40 to \$24.00 and the delivery charge increases from \$0.50163 to \$0.51393.

INTERRUPTIBLE TRANSPORTATION – RATE IT (Page No. 115)

Changed the rates for distribution charges for existing customers as follows. For existing IT-A customers, the rate per Mcf / per Dth delivered changes from \$2.2885 / 2.2068 to \$2.4146 / 2.3307. For existing IT-B customers, the rate per Mcf / per Dth delivered changes from \$1.1077 / 1.0682 to \$1.1687 / 1.1281. For existing IT-C customers, the rate per Mcf / per Dth delivered changes from \$0.8643 / 0.8335 to \$0.9119 / 0.8802. For existing IT-D customers, the rate per Mcf / per Dth delivered changes from \$0.7669 / 0.7395 to \$0.8091 / 0.7810. For existing IT-E customers, the rate per Mcf / per Dth delivered changes from \$0.7426 / 0.7161 to \$0.7835 / 0.7563.

BACK-UP SERVICE – RATE BUS (Page No. 154)

Clarified that the Rate BUS tariff provision applies: (1) in any instance in which an applicant is seeking to obtain firm gas service to run any type of operable back-up, supplementary, standby, emergency, electric or heat generation equipment; and (2) to gas service for any system for which natural gas is not the primary fuel. Added language on availability of IT rates for interruptible back-up service. Eliminated requirement that the Company provide an analysis for the rate and provide a recommendation about whether the rate should continue in its next base rate case.

TECHNOLOGY AND ECONOMIC DEVELOPMENT RIDER / MICRO-COMBINED HEAT AND POWER INCENTIVES (Page No. 155)

Modified the Technology and Economic Development Rider so that it continues beyond the initial three-year pilot period. Corrected reference to “fuels cells” to “fuel cells.” Changed the Micro-Combined Heat and Power Incentives offered to (1) \$1,000 per kW installed up to 20 kW; and (2) \$750 per kW installed greater than 20 kW and less than or equal to 50 kW.

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DISPUTE - An unresolved grievance raised by a Customer with PGW about PGW's application of a provision covered by 52 Pa. Code Chapter 56, as amended or supplemented. If, at the conclusion of an initial contact, or when applicable, a follow-up response, the Customer, Applicant or occupant indicates satisfaction with the resulting resolution or explanation, the contact will not be considered a dispute.

DISTRIBUTION CHARGE – The charge for Transportation Service provided by PGW.

ESTIMATED READING - During the months when the Company does not read the Customer's meter, gas usage is projected based on previous gas usage, gas rates, and the weather.

FOREIGN LOAD - A situation where a Customer's meter registers usage for utility service provided to another person or other persons, or for use in a common area shared by others, for example, hallway lighting, furnace fan, or laundry room appliances.

GAS CHOICE PROGRAM - The firm gas transportation program offered by the Company pursuant to the Gas Choice Act, 66 Pa.C.S. §§ 2201 et seq.

GAS SERVICE - See definition for Basic Utility Service.

GAS SERVICE TARIFF (TARIFF) is PGW Gas Tariff - Pa P.U.C. No. 2 as supplemented or superseded from time to time in accordance with law. (C)

HOUSEHOLD INCOME – The combined gross annual income of all adults in a residential household and those who benefit from the Gas Service.

INFORMAL COMPLAINT - A complaint filed with the PUC by a Customer that does not involve a formal proceeding before a PUC administrative law judge or mediation under the direction of a PUC administrative law judge.

LATE PAYMENT CHARGE - A charge placed on any bill not paid by the due date.

LOW INCOME HOME ENERGY ASSISTANCE PROGRAM (LIHEAP) - A federally funded program, administered by the Pennsylvania Department of Public Welfare that assists low income households with payment of their heating bills through energy assistance grants. For eligible households, the grants include crisis grants for household energy related emergencies, cash benefits for home heating fuel, and energy conservation and weatherization solutions.

Mcf - 1,000 cubic feet of gas; this is a measure of gas usage.

NATURAL GAS (GAS) - Includes natural gas, liquified natural gas, synthetic natural gas and any natural gas substitutes including, but not limited to, liquified propane and naphtha.

NATURAL GAS CHOICE AND COMPETITION ACT - (Gas Choice Act or the Act) - 66 Pa.C.S. §§ 2201 et seq.

(C) - Change

MERCHANT FUNCTION CHARGE (“MFC”)

The MFC is a volumetric charge, applied to firm sales service customers, which will be included in the Price to Compare. The MFC is based on Gas Cost Rate multiplied by a fixed uncollectible percentage established in the Company’s last general base rate proceeding. The MFC will not be reconciled to reflect actual results. The MFC is intended to make the Company’s Price to Compare more comparable to the gas supply services price offers of other Natural Gas Suppliers that presumably reflect anticipated uncollectible expenses. The following percentages will be applied to the quarterly Gas Cost Rate in order to calculate the quarterly MFC: 3.62% - GS Residential (“GS RES”); 3.62% - GS Public Housing (“GS PHA”); 0.91% - GS Commercial (“GS COM”); and 0.42% - GS Industrial (“GS IND”). The current MFC is set forth below in the Price to Compare table. (C)

GAS PROCUREMENT CHARGE (“GPC”)

The GPC is a volumetric charge, applied to firm sales service customers, which will be included in the Price to Compare. The GPC will remain in effect until reviewed and updated in the Company’s next general base rate proceeding.

Current Gas Procurement Charge = \$0.00400/Ccf

PRICE TO COMPARE (“PTC”)

The PTC is composed of the Sales Service Charge (“SSC”), Gas Adjustment Charge (“GAC”), the Merchant Function Charge and the Gas Procurement Charge. The PTC will change whenever any of the components of the PTC change. The current PTC is (per Ccf):

	GS-RES	GS-PH	GS-COM	GS-IND	MS	PHA	NGVS	
SSC	\$0.44830	\$0.44830	\$0.44830	\$0.44830	\$0.44830	\$0.44830	\$0.44830	
GAC	(\$0.06359)	(\$0.06359)	(\$0.06359)	(\$0.06359)	(\$0.06359)	(\$0.06359)	(\$0.06359)	
MFC	\$0.01393	\$0.01393	\$0.00350	\$0.00162	\$0.00000	\$0.00000	\$0.00000	(C)
GPC	\$0.00400	\$0.00400	\$0.00400	\$0.00400	\$0.00400	\$0.00400	\$0.00400	
PTC	\$0.40264	\$0.40264	\$0.39221	\$0.39033	\$0.38871	\$0.38871	\$0.38871	(C)

(C) – Change

UNIVERSAL SERVICE AND ENERGY CONSERVATION SURCHARGE

Universal service and energy conservation program and related costs will be recovered by a Universal Service and Energy Conservation Surcharge applicable to all volumes of Gas delivered.

1. The Surcharge will recover: 1) the discounts provided to Customers pursuant to the Customer Responsibility Program (CRP); 2) the discounts provided to Customers pursuant to the Senior Citizen Discount; 3) the costs of PGW's Low Income Usage Reduction Program (LIRUP), known as the Home Comfort Program (previously known as the Conservation Works Program (CWP), the Enhanced Low Income Retrofit Program (ELIRP) and the CRP Home Comfort Program); 4) the costs of the pilot Conservation Incentive Credit program; and, 5) for Customers entering the CRP program on or after September 1, 2003, past due arrearages forgiven pursuant to paragraph A (6) of the CRP/CAP Program Design Stipulation approved by the Commission by its order at M-00021612 (entered March 31, 2003).
2. Computation of the Universal Service and Energy Conservation Surcharge factors will be in accordance with the automatic adjustment procedures utilized under Section 1307(f) of the Public Utility Code and will be filed and approved in conjunction with the Company's annual Section 1307(f)-GCR filing.
3. Once the surcharge is in place it will be automatically adjusted effective March 1, June 1, September 1, and December 1 of each year in accordance with Section 1307(f) quarterly adjustment procedures. No interest will be included in such surcharge computations. The basic component of the surcharge will be determined by dividing the total universal service and energy conservation program costs approved for annual recovery by the estimated applicable throughput in Mcfs.
4. The Universal Service and Energy Conservation Surcharge shall take effect upon the effective date of this Tariff.

Current Universal Service and Energy Conservation Surcharge = \$0.19603/Ccf. **(I)**

(I) - Increase

GENERAL SERVICE - RATE GS

Rate: Applicable to all Retail Sales Service or Transportation Service rendered pursuant to this Rate Schedule on or after January 1, 2021. (C)

AVAILABILITY

Available for any purpose where the Company's distribution mains adjacent to the proposed Gas Service location are, or can economically be made, suitable to supply the quantities of Gas or Transportation Services required. Not available for back-up service, refer to Rate BUS. (C)

RATES

CUSTOMER CHARGE (per Meter (except parallel meters)):

\$ 14.10	per month for Residential and Public Housing Authority Customers.	(I)
\$ 24.00	per month for Commercial Customers	(I)
\$ 71.80	per month for Industrial Customers	(I)

Surcharge: Distribution System Improvement Charge.

Plus,

GCR (not applicable to GS Customers who transport gas through a qualified NGS):

\$0.38484	per Ccf for Residential and Public Housing
\$0.38484	per Ccf for Commercial Customers
\$0.38484	per Ccf for Industrial Customers

Plus,

DISTRIBUTION CHARGE (consisting of items (A) and (B), below):

(A) Delivery Charge:

\$0.68642	per Ccf for Residential	(I)
\$0.59444	per Ccf for Public Housing	(I)
\$0.49570	per Ccf for Commercial and Municipal Customers	(I)
\$0.48825	per Ccf for Industrial Customers	(I)

(B) Surcharges:

Universal Service and Energy Conservation Surcharge; Restructuring and Consumer Education Surcharge; Efficiency Cost Recovery Surcharge; Other Post Employment Benefit Surcharge; and Distribution System Improvement Charge.

(I) – Increase; (C) - Change

Note: The Commodity Charge includes the Sales Service Charge, the Merchant Function Charge and the Gas Procurement Charge.

MUNICIPAL SERVICE - RATE MS

Rate: Applicable to all Retail Sales Service or Transportation Service rendered pursuant to this Rate Schedule on or after January 1, 2021.

AVAILABILITY

Available to properties owned or occupied by the City of Philadelphia or the Board of Education, or any of their respective agencies or instrumentalities, for any type of Gas Service, unless purchased for resale to others, and where the Company's distribution mains adjacent to the proposed Gas Service locations are, or can economically be made, suitable to supply the quantities of Gas required; provided, however, that the rate shall not be available to Commercial Tenants of any such property.

RATES

CUSTOMER CHARGE (per Meter (except parallel meters):

\$ 24.00 per month

(I)

Surcharge: Distribution System Improvement Charge.

Plus,

GCR (not applicable to MS Customers who transport Gas through a qualified NGS):

\$0.38484 per Ccf

Plus,

DISTRIBUTION CHARGE (consisting of items (A) and (B), below):

(A) Delivery Charge:

\$0.44159 per Ccf

(I)

(B) Surcharges:

Universal Service and Energy Conservation Surcharge; and The Restructuring and Consumer Education Surcharge; the Efficiency Cost Recovery Surcharge; Other Post Employment Benefit Surcharge; and Distribution System Improvement Charge.

(I) – Increase

Note: The Commodity Charge includes the Sales Service Charge, the Merchant Function Charge and the Gas Procurement Charge.

PHILADELPHIA HOUSING AUTHORITY SERVICE - RATE PHA

Rate: Applicable to all Retail Sales Service or Transportation Services rendered pursuant to this Rate Schedule on or after January 1, 2021.

AVAILABILITY

Available for all Gas usage in multiple dwelling Residential buildings containing 10 or more dwelling units, owned and operated by the Philadelphia Housing Authority, where cooking shall be performed exclusively with Gas and where Gas Service shall be supplied through one or more single point metering arrangements at locations where the Company's distribution mains adjacent to the proposed Gas Service locations are, or can economically be made, suitable to supply the quantities of Gas required.

This rate is also available for all Gas usage in single and multiple dwelling Residential buildings, containing less than 10 dwelling units, provided, and only so long as, Gas is used exclusively for cooking, water heating and space heating for all such Residential buildings owned and operated by the Philadelphia Housing Authority, except (a) buildings operated by the Philadelphia Housing Authority, prior to the original effective date of this rate (January 1, 1969), and (b) buildings for which, in the judgment of the Company, such Gas Service cannot be provided economically.

RATES

CUSTOMER CHARGE (per Meter (except parallel meters);

\$24.00 per month

(I)

Surcharge: Distribution System Improvement Charge.

Plus,

GCR (not applicable to PHA customers who transport gas through a qualified NGS):

\$0.38484 per Ccf

Plus

DISTRIBUTION CHARGE (consisting of item (A) and (B), below):

(A) Delivery Charge:

\$0.51393 per Ccf

(I)

(B) Surcharges:

Universal Service and Energy Conservation Surcharge; and The Restructuring and Consumer Education Surcharge; the Efficiency Cost Recovery Surcharge; Other Post Employment Benefit Surcharge; and Distribution System Improvement Charge.

(I) – Increase

Note: The Commodity Charge includes the Sales Service Charge, the Merchant Function Charge and the Gas Procurement Charge.

CHARGES

1. MONTHLY BILL

The monthly bill shall consist of the sum of the monthly Customer charge and the Distribution Charge as detailed below:

<u>CUSTOMER CHARGE</u>	<u>(\$ Per Meter Per Month</u> <u>(Parallel Meters are considered one meter)</u>	
IT-A:	152.16	
IT-B:	273.89	
IT-C:	273.89	
IT-D:	273.89	
IT-E:	426.06	
<u>DISTRIBUTION CHARGE</u>	<u>Rate (\$) Per Mcf / Dth Delivered*</u>	
IT-A:	2.4146/ 2.3307	(I)
IT-B:	1.1687 / 1.1281	(I)
IT-C:	0.9119 / 0.8802	(I)
IT-D:	0.8091 / 0.7810	(I)
IT-E:	0.7835/ 0.7563	(I)

*The distribution charge may be the product of a negotiated rate and may include long-term contracts of up to five years as mutually agreed to by the Company and the Customer. This negotiated rate may be higher than, but not lower than, the distribution charges set forth above and may include additional minimum take requirements.

(I) – Increase

BACK-UP SERVICE – RATE BUS

Rate Applicable to: Back-Up Service as described below.

AVAILABILITY

Available at the Company's sole discretion where the Customer has installed any type of operable back-up, supplementary, standby, emergency, electric or heat generation equipment and who from, time to time, will require Gas from the Company for the Customer's operation of that equipment. This rate shall also apply to gas service for any system for which natural gas is not the primary fuel. (C)

If a Customer is seeking interruptible back-up service, the Customer may take interruptible service at IT rates if the Customer meets all requirements of Rate IT, including that the Customer must: (1) have installed and operable alternative fuel equipment, including appropriate fuel storage capacity, capable of displacing the daily quantity of Gas subject to curtailment or interruption; or, in the alternative, (2) demonstrate to the Company's sole satisfaction the ability to manage its business without the use of Gas during periods of curtailment or interruption. (C)

RATES and TERMS OF SERVICE

Contracts stipulating the negotiated rate and negotiated terms of Back-up Service may be entered into between the Company and Customer when the Company, in its sole discretion, deems such offering to be economically advantageous to the Company. Service under this rate is firm.

Back-up Service shall be separately metered subject to the Company's technical determination that more than one meter is required to correctly measure the total gas service rendered. Should the Company determine that this service be separately metered, the Company will issue a separate bill pursuant to a rate schedule applicable for the usage on the separate meter. Otherwise, if so determined by the Company to be technically feasible, the Company shall allow gas usage for such equipment to be measured by the customer's existing meter. (C)

As part of its annual Gas Cost Rate (GCR) filings, PGW will provide the number of customers, sales levels and costs incurred for these customers. (C)

(C) - Change

**TECHNOLOGY AND ECONOMIC DEVELOPMENT RIDER
MICRO-COMBINED HEAT AND POWER INCENTIVES**

AVAILABILITY

TECHNOLOGY AND ECONOMIC DEVELOPMENT RIDER: The Technology and Economic Development (TED) Rider is a negotiated rider available that will be utilized to support the expansion of new technologies such as, but not limited to, combined heat and power (CHP), natural gas vehicles, and fuel cells, to develop brownfields, and support economic development in Pennsylvania by facilitating business retention and attraction, as well as other gas distribution system expansion activities. The TED Rider is available to those Customers served by the Company that the Company determines, in its sole discretion, have prospective additional gas usage applicable to service for firm service non-residential customers on Tariff Rate Schedules for General Service (Rate GS), Municipal Service (Rate MS), Philadelphia Housing Authority Service (Rate PHA) and Developmental Natural Gas Vehicle Service (Rate NGVS) at the time of execution or renewal of a service agreement. The TED Rider is established for the purpose of adjusting the customer's overall distribution charge to address project-specific or competitive issues to gain access to and expand use of natural gas within the Commonwealth of Pennsylvania. The negotiated TED Rider may be either a surcharge or credit depending on project-specific customer and Company economic requirements, such that the overall economics must meet the requirements of Section 10 of this Tariff. As part of its Gas Cost Rate (GCR) filings, PGW will provide data on sales and costs for TED customers.

(C)

(C)

GENERAL TERMS

The Customer must execute a TED Rider service agreement.

RATES

Customer Charge: Negotiable

Plus

Delivery Charge (per ccf): Negotiable

AVAILABILITY

MICRO-COMBINED HEAT AND POWER INCENTIVES: For projects involving micro-CHP units no larger than 50 kW, the following Micro-CHP Incentives may be available for qualifying projects: (1) \$1,000 per kW installed up to 20 kW; and (2) \$750 per kW installed greater than 20 kW and less than or equal to 50 kW. The Incentive is available to those Customers served by the Company that the Company determines, in its sole discretion, have prospective additional gas usage applicable to service for Rate GS Commercial/Industrial customers, Rate MS customers and Rate PHA customers on a pilot basis for a three-year period beginning on the effective date of this tariff supplement. The economic test that will be utilized by the Company to determine eligibility for participation will include the costs of the incentives.

(C)

(C) - Change